ACC Limited

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Motilal Oswal Investor Conference,

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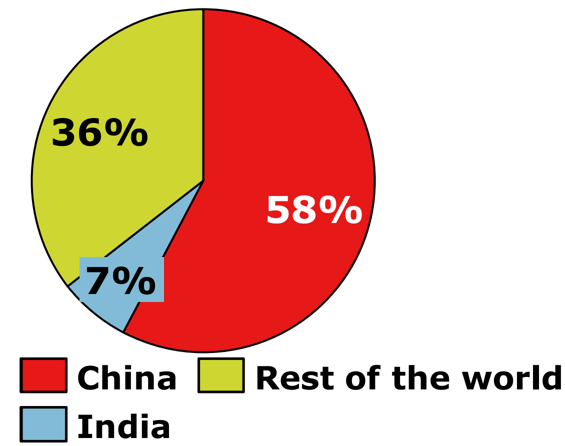
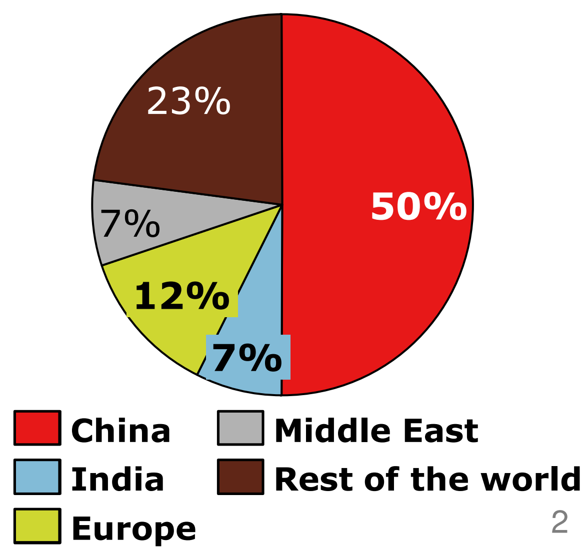
Global Cement Industry

- Global Cement Industry is ~3100 million tonnes (MT) with an installed capacity of ~3900 MT
- China accounts for nearly 50% of the total installed capacity. India is the second largest cement producer in the world, way behind China.
- Recent growth in the global cement consumption is primarily driven by the emerging markets, generating ~ 70% of the demand.
- India is among the fastest growing cement markets in the world with a consumption CAGR of ~ 10% (2005-10).

Global Demand(MT) (2010)



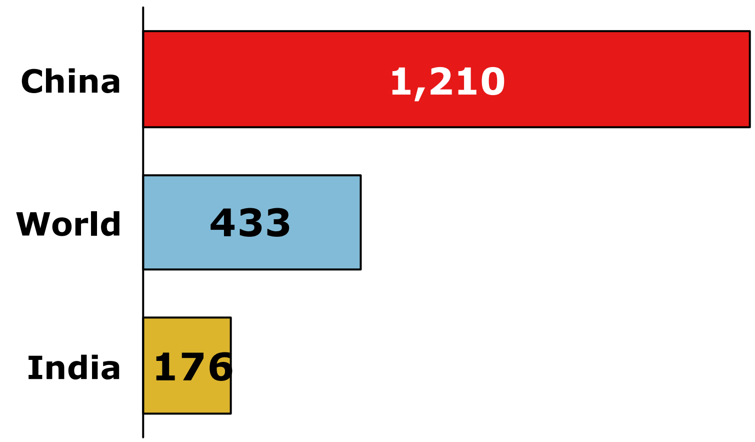
Global Capacity(MTPA) (2010)



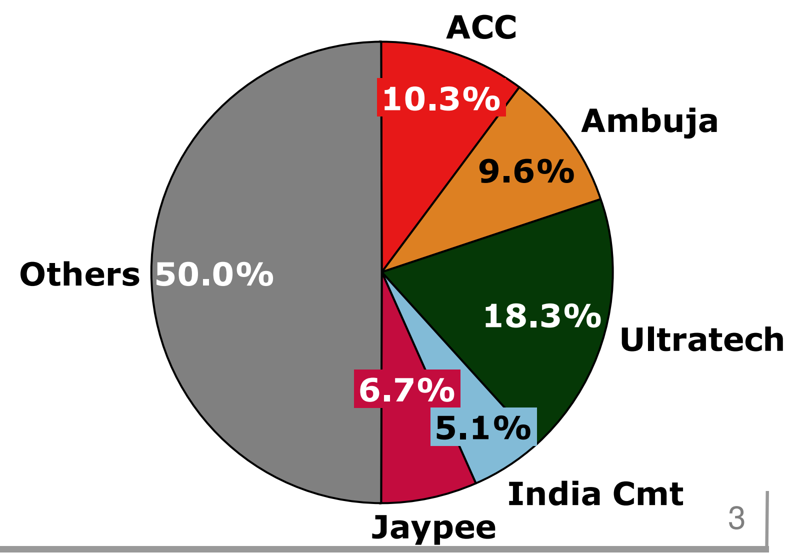
Indian Cement Industry Scenario

- Current Cement Demand estimated at ~230 MT in 2011 & present capacity is ~300 MT
- Cement demand expected to grow at ~ 10% per annum in foreseeable future on the back of ~8+% GDP growth
- Lower Per capita consumption leaves a bigger room for industry growth
- Top 5 players account for ~50% market share and remaining 50% market share is with more than 100 players.
- Over 4 Lakh Dealer/Retailers
- 100+ RMX players
- 1.5 crore bags sold daily

Per capita cement consumption in 2010 (in kg)



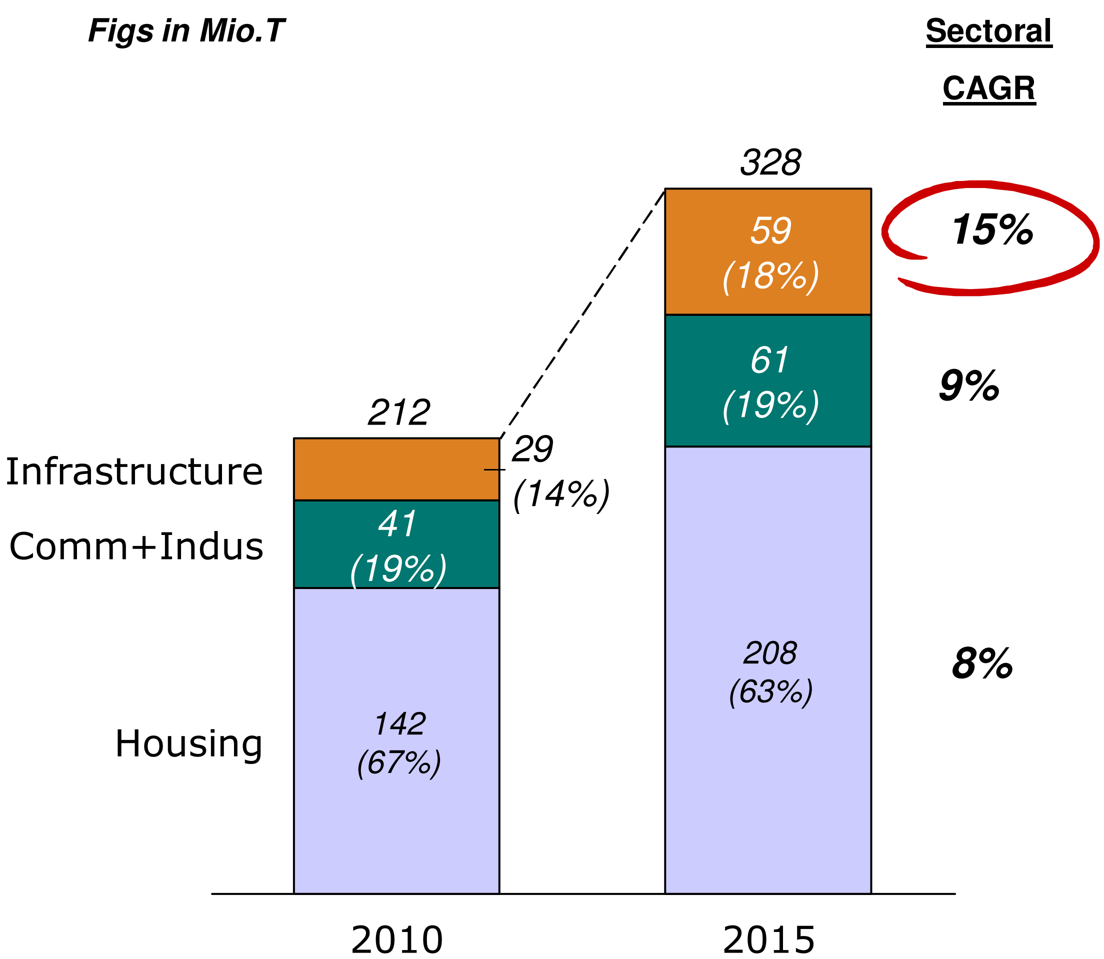
Market Share Pie 2010



Source: IMF ,CMA and E&Y Report

Indian Cement Market Development

Demand - Next Five Years @ 10% CAGR



Key Demand Drivers

Infrastructure

- Construction linked sector account for 8.3% of 12th plan spend ~ 850 bn.
- Infrastructure development – Roads, Ports, Power, etc

Commercial / Industrial

- High Growth in retail, commercial and institutional sector in urban and semi-urban areas
- High Growth in industry segment

Housing

- Population growth and rising per capita income
- Mass urbanization of ~ 250 Million people over next ~20 years
- Thrust by Govt. on Rural / low cost / mass housing

Indian Cement Sector Outlook

Growth Outlook:

- Long term GDP growth of 8-9% leading to multiplier effect for cement demand growth
- Rising disposable income & Rapid urbanization

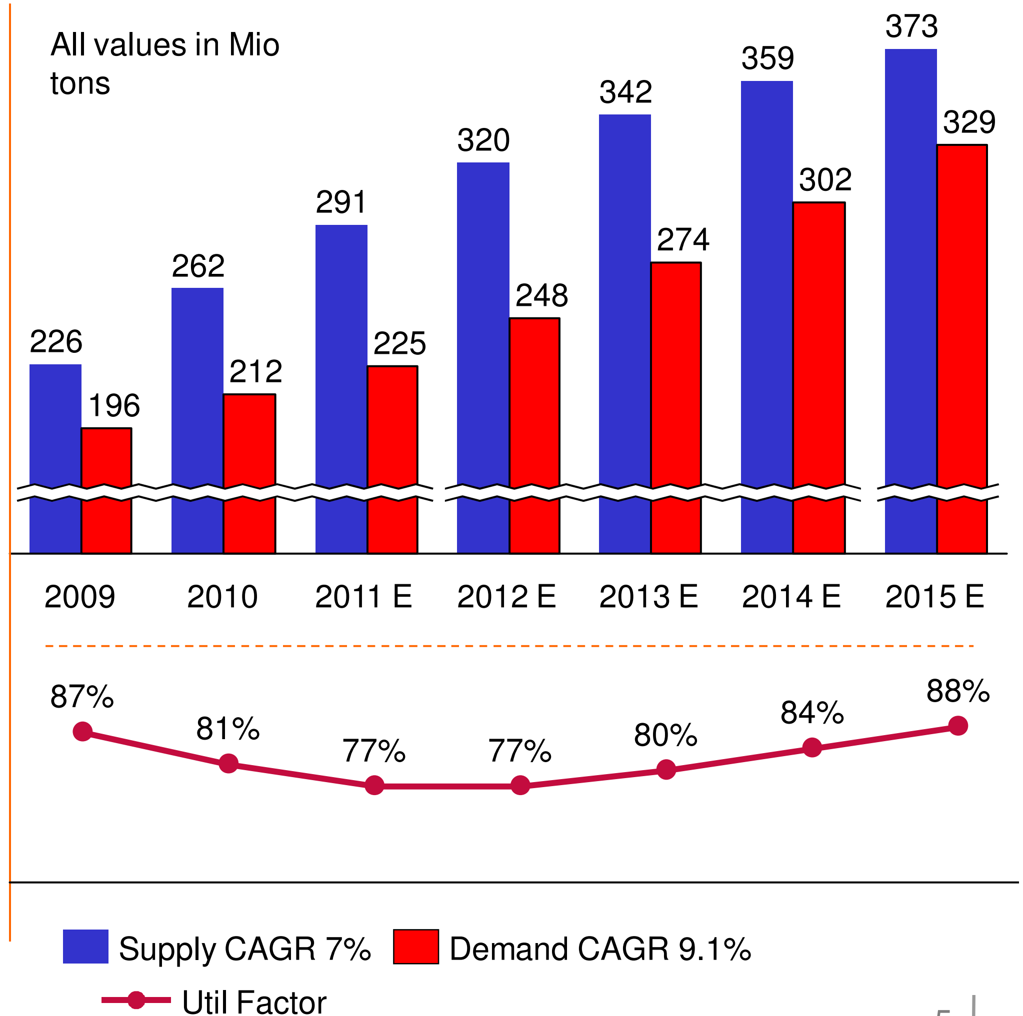
Pricing Outlook:

- Lower Utilization Rate will keep overall pricing trend under pressure in near term
- Regional price movement may not be in tandem with overall trend

Cost Outlook

- Overall cost pressure will continue due to rise in cost of domestic coal & reduction in coal linkage and volatile import coal prices
- Rising cost of key input materials like fly ash and slag

Demand - Supply



ACC – Pioneer Of Indian Cement Industry with a Rich Heritage

- ACC was incorporated on August 1, 1936, in a historic merger of ten cement companies belonging to four business groups
- ACC became Holcim group company in 2005

- **ACC is first among equals**

1947 - First indigenous plant at Chaibasa, Jharkhand

1956 - First with bulk cement distribution at Okhla, Delhi

1961 - First with blended cement using blast furnace slag from TISCO

1978 - First to introduce energy efficient precalcinator technology

1982 - First to commission a 1 MTPA cement plant at Wadi, Karnataka

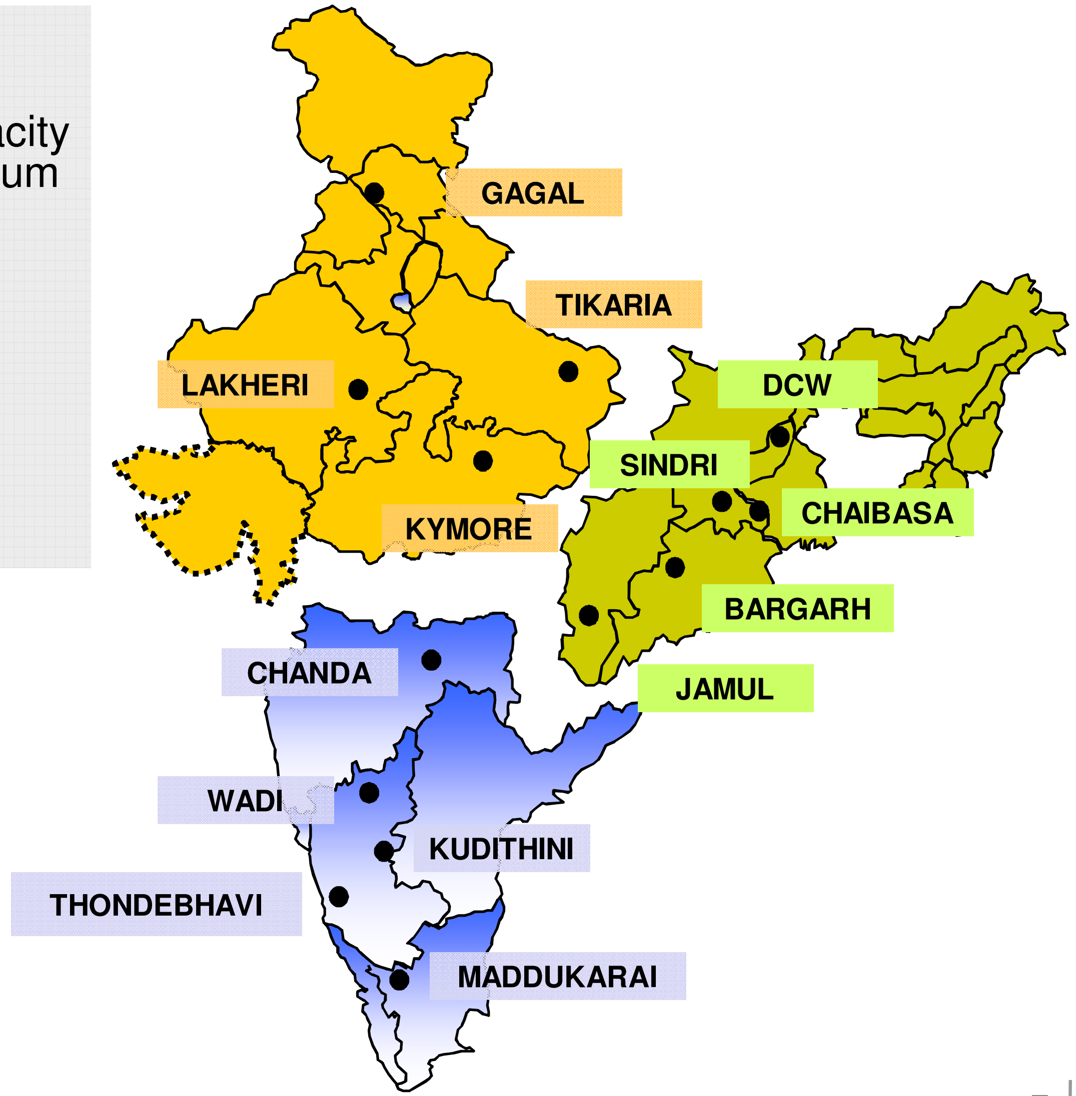
1994 - First to start commercial manufacture of Ready Mixed Concrete

2011 - World’s largest cement kiln installed at Wadi Karnataka, with a capacity of over 13000 MT of clinker per day

ACC – A Pan India Presence

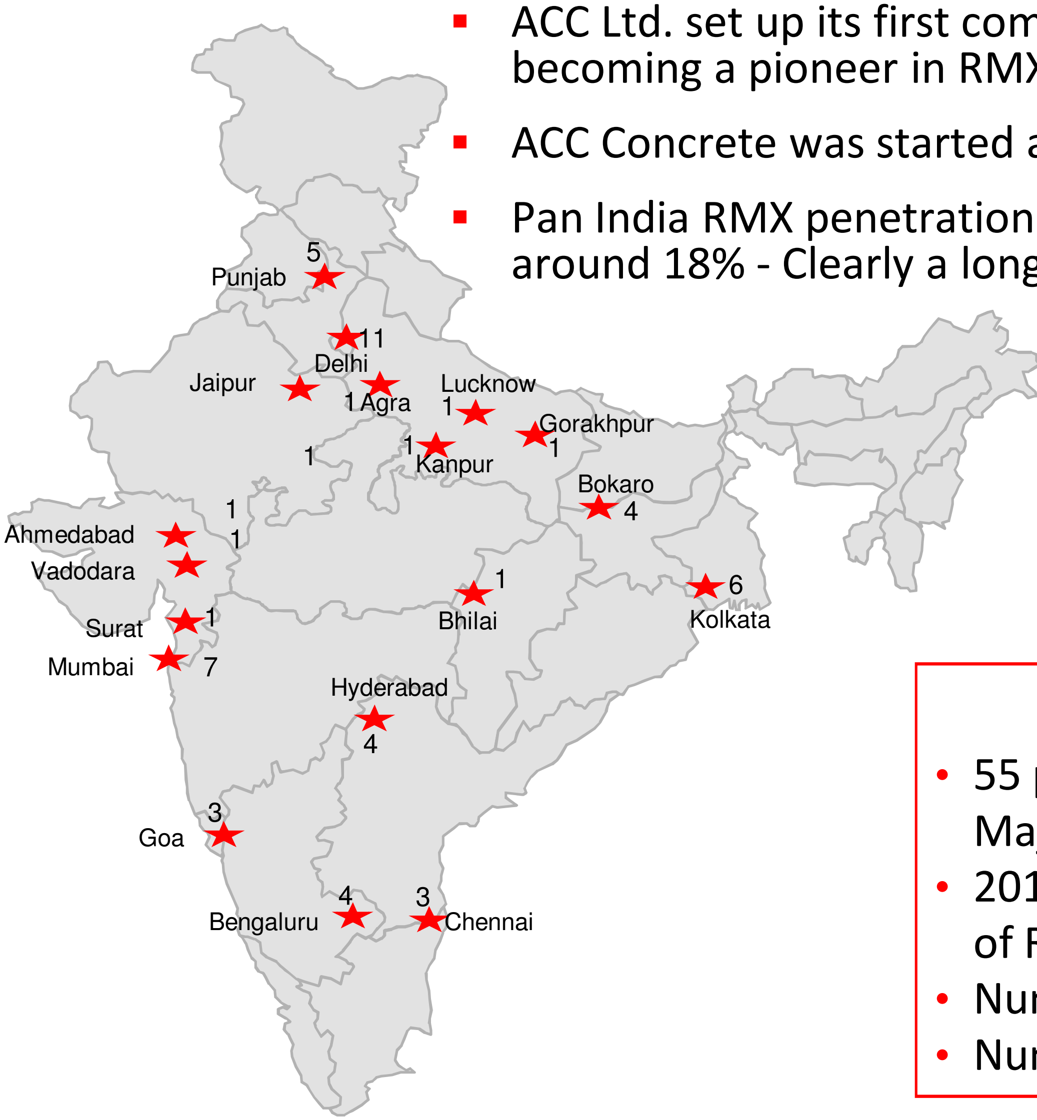
Nationwide presence

- 16 cement plants - capacity of 30 million tonnes/annum
- 21 sales units, 66 area offices
- 50+ RMX plants
- 10,000 dealers



RMX Operations: ACC Concrete

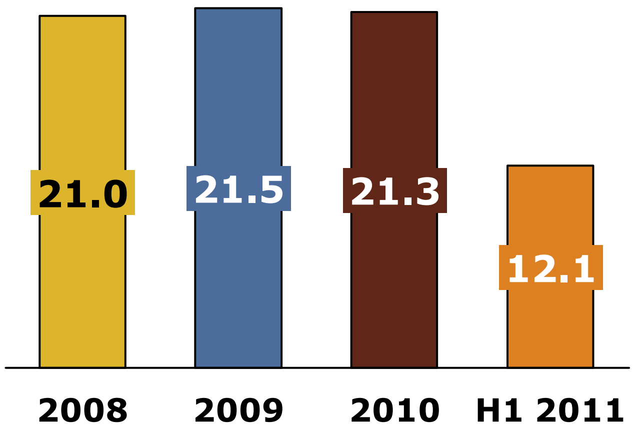
- ACC Ltd. set up its first commercial RMX plant in India in 1994 becoming a pioneer in RMX industry
- ACC Concrete was started as a subsidiary of ACC Ltd. in Jan 2008
- Pan India RMX penetration is around 7%and in Indian metros around 18% - Clearly a long way to grow for RMX market in India



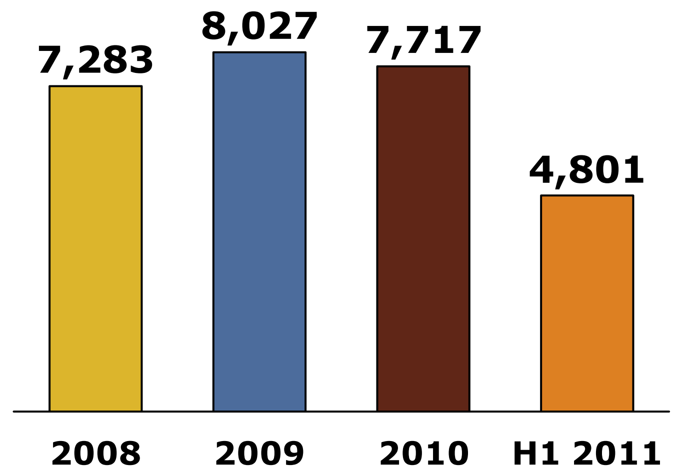
Key company statistics

- 55 plants across India with presence in all Major cities
- 2010 Volume Sold 2.2 mio m3. Net Sales of Rs 6,000 mio.
- Number of Transit Mixers – 300
- Number of pumps is – 50

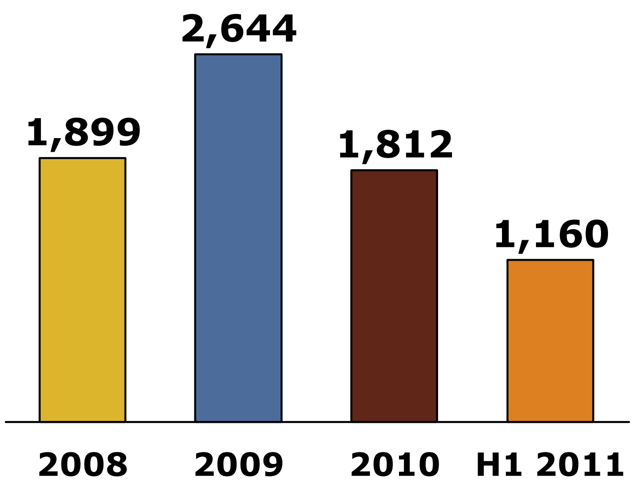
Financial Performance



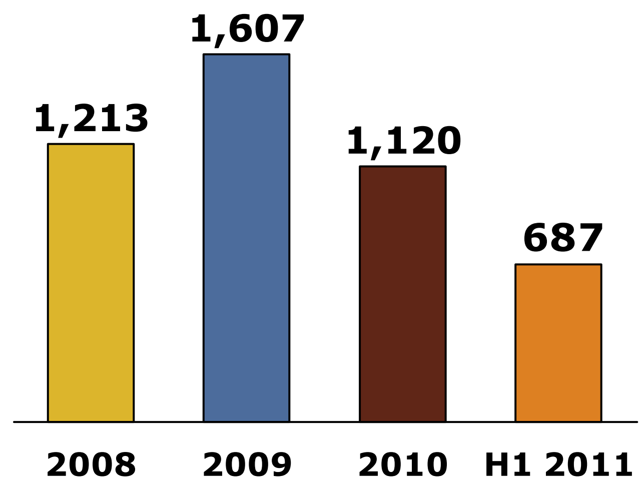
Sales Volume (in MT)



Revenue (Rs Cr.)



EBITDA (Rs Cr.)



PAT (Rs Cr.)

ACC–Competitive Edge (i)

- ACC Cement : A Strong Brand
- Pan India presence
- High Quality Channel partners & Distribution Network
- Launch of quality products for different markets/applications like Coastal **+**, Concrete **+** , ACC F2R
- Single window solution provider for Cementitious Materials
- Hub & Spoke Strategy adopted in recent expansion by setting up grinding units near customer clusters
- One of the best rail-road transportation mix (55:45)

ACC–Competitive Edge (ii)

- **High Coal Linkage :** In spite of availability and rising prices challenges, highest linkage provides competitive edge over other industry players
- **Captive Coal Blocks**: Ensures cheaper coal sourcing in future
- **Captive Power :** 361 MW Thermal Power and 19 MW of Wind Farm

  ACC is investing in WHRB for low cost power generation
- Higher Proportion of Blended Cement production
- Well established AFR Program
- Continuous Improvement/ Modernization of assets
- **Technology and Management support from Holcim:** Sharing of Global best practices/technologies through Holcim network
- **Sustainable Development is the key priority in all its operations**

Significant Growth Opportunity

- Current Cement demand of ~230 MTPA is estimated to grow to ~ 550 MTPA by 2020 backed by a sustainable GDP growth rate of ~ 8%
- Good Asset Footprint for Greenfield growth
- In-house capability to build plants in industry leading cost and time frame
- Supply Chain & Logistics to improve against challenged infrastructure
- Opportunity for participation in Industry Consolidation
- Re-orient marketing organization & product offering in line with market development
- Healthy Financials and Balance Sheet to support the growth plan

Corporate Social Responsibility - a way of business

- **Sustainable Community Development** – in 100 villages around its operations through livelihood generation, rural infrastructure, literacy, women's empowerment. Notable successes - 289 self help groups benefiting 2900 women.

- **Education & Training** – ACC supports 66 Govt. schools in backward districts. Operates 16 schools wherein 10,000 students receive education. ACC runs 2 technical institutes at Kymore (MP) and Jamul (Chhattisgarh). ACC has partnered with seven ITIs for their up-gradation through the PPP program.

- **Community Health** – ACC medical clinics conduct village health camps. ACC is the first corporate to set up Anti-Retroviral treatment centres for combating AIDS. Around 6000 people have benefited.

ACC - Awards & Accolades

- ACC was the very first recipient in 1976 of National Award for Rural and Agricultural Development Activities from ASSOCHAM.
- Good Corporate Citizen Award in 2006 from Bombay Chamber of Commerce and Industry
- Bombay Natural History Society Award in 1997 for supporting the cause Nature Conservation
- Golden Peacock Environment Management Special award for outstanding efforts in Environment Management
- National Award for Fly Ash Utilization 2006 – by Ministry of Power, Ministry of Environment & Forests, Dept of Science & Technology
- Greentech Safety Gold and Silver Awards from Greentech Foundation for outstanding performance in Safety Management
- Jamnalal Bajaj Uchit Vyavahar Puraskar – in the category Large Manufacturing Enterprises for exemplary record of practicing and promoting Fair Business Practices by Council for Fair Business Practices
- CNBC-TV 18's India Business Leaders Award in the category India Corporate Citizen of the Year 2008
- The Vision Corporate Triple Impact by FICCI -2010 for Triple Bottom Line

Disclaimer

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